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**MARTIN-McNEELY MINES, LIMITED**

*Annual Report*



*For the Year Ended December 31, 1969*





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G. T. SMITH - - - - - *President*  
N. W. WHEATLEY - - - - - *Secretary-Treasurer*

CANADA PERMANENT TRUST COMPANY  
Toronto, Ontario

ALLEN, MILES, FOX & JOHNSTON, TORONTO

Suite 3914, Royal Trust Tower  
Toronto Dominion Centre  
Toronto 1, Ontario

The Annual Meeting of Shareholders will be held at 11:00 a.m., Monday, July 20, 1970, in the Nova Scotia Room, Royal York Hotel, Front Street West, Toronto, Ontario.



# MARTIN-McNEELY MINES, LIMITED

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## TO THE SHAREHOLDERS,

Your Board of Directors is pleased to submit herewith the Annual Report of the Company for the year ended December 31st, 1969. Included also are audited financial statements for the 1969 fiscal period and for the three months ended March 31, 1970, and reports on the operations of Annco Mines Limited (44.8% owned) and Wilmar Mines Limited (43.8% owned).

The Annco Mines Limited operation resulted in a net loss for the year of \$83,778. Rock conditions experienced in the mine required increased ground support, limited the rate of mining and consequently, ore delivered to the Cochenour mill amounted to only 12,359 tons or approximately half of 1968's production.

The future of the Annco operation is questionable, even though additional tonnage of ore is available on the property. Present economic conditions, coupled with the Federal Government's unclarified policy on E.G.M.A. indicate development of this additional tonnage is not warranted. Some 35,000 tons of ore are now available for mining and of necessity, must be extracted at a relatively slow rate.

Wilmar Mines Limited provided 45,068 tons of ore averaging .34 ounces gold per ton to the Cochenour mill accounting for 63% of the total

mill feed. Development goals of 1969 were completed and presently some 90,000 tons of ore grading .35 to .40 ounces gold per ton are now available for mining, and it is planned to mine approximately 160 to 170 tons per day during 1970. Although an operating loss of some \$300,000 was experienced in 1969 due to increased wages, accelerated development expenditures, changeover to cut and fill mining with associated use of tailings for backfill and modifications to the mill circuit, the operation is now expected to remain at a profit-making level for the remainder of the year.

Further mine development will be dependent upon the ability to maintain the operation on a profit-making level.

The Company, through four Lease-Purchase Option Agreements acquired 486 unpatented mining claims having a favourable potential for uranium, in the Yellow Cat area of the Thompson Mining District, Grand County, Utah. The prospect covers some 9,700 acres of ground.

Subsequently, a broad exploratory drilling program was initiated to obtain preliminary information on stratigraphy and the overall potential of the uranium-vanadium host formations. A total of 66 holes were completed having an accumulated footage of approximately 41,000 feet.

Thirty-four of these holes contained uranium mineralization and of these, three encountered zones in excess of .20%  $U_3O_8$  (4 lbs.  $U_3O_8$ /Ton), although not over economic mining widths.

Considering the extremely wide spacing of the drill holes, your Directors believe these results merit a more detailed evaluation. In this regard, the Company is considering the possibility of a joint venture on a second phase program, whereby a participant could earn upwards of a 50% interest in the project through an expenditure of \$200,000.

The Company was saddened with the recent death of Mr. S. J. Zacks who had, for a number

of years been a Director and Vice-President. Mr. Zack's friendship and guidance will be sorely missed, and your Directors wish to record the significant contributions he had made to the Company during his association.

On behalf of the Board,

G. T. SMITH,  
President.

Dated at Toronto, Ontario,  
June 1, 1970.



# MARTIN-McNEELY

(Incorporated under the laws of the Province of Ontario)

AND ITS WHOLLY-OWNED SUBSIDIARIES

## Consolidated Balance Sheet

(with comparative figures for 1968)

### ASSETS

#### Current Assets

	1969	1968
Cash .....	\$ 943	\$ 2,940
Short-term investments, at cost .....	183,543	287,432
Marketable securities, at cost (quoted market value 1969, \$209,830; 1968, \$239,855) .....	216,983	238,564
Accounts receivable .....	7,071	8,057
	<u>408,540</u>	<u>536,993</u>

#### Participation in Other Mining Companies

Shares, at cost less amounts written off (no quoted market value) ....	880,815	880,815
Advances to Wilmar Mines Limited .....	20,000	20,000
	<u>900,815</u>	<u>900,815</u>

#### Mining Properties

Patented mining claims situated in the Township of Dome in the District of Patricia, Ontario, at cost .....	99,470	99,470
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#### Deferred Charges and Other Assets

Participation in mining syndicates, at nominal value .....	9	9
Deferred exploration and administrative expenditures .....	331,335	169,968
Incorporation expense .....	607	—
	<u>331,951</u>	<u>169,977</u>
	<u>\$1,740,776</u>	<u>\$1,707,255</u>

# MINES, LIMITED

(Incorporated in the Province of Ontario)

COMPANY MARTIN McNEELY MINES, INC.

Balance Sheet at December 31, 1969

(Audited at December 31, 1968)

## LIABILITIES AND SHAREHOLDERS' EQUITY

### Current Liabilities

	1969	1968
Accounts payable and accrued liabilities .....	\$ 10,555	\$ 1,050

### Shareholders' Equity

#### Capital Stock

##### Authorized

6,000,000 shares of \$1. par value

##### Issued

6,000,000 shares .....	6,000,000	6,000,000
Less discount on shares .....	4,312,181	4,312,181
	1,687,819	1,687,819
Retained earnings .....	42,402	18,386
	1,730,221	1,706,205

Approved on behalf of the Board:

G. T. SMITH, Director.

R. E. FASKEN, Director.

\$1,740,776    \$1,707,255



# MARTIN-McNEELY MINES, LIMITED

AND ITS WHOLLY-OWNED SUBSIDIARY COMPANY MARTIN McNEELY MINES, INC.

## CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES

For the year ended December 31, 1969

(with comparative figures for 1968)

	1969	1968
Balance deferred January 1	\$ 169,968	\$ 192,522
<b>Exploration</b>		
Leased claims rental	\$ 50,361	
Surveying	1,641	
Access road and drill site construction	7,896	
Drilling	81,186	
Engineering fees and expenses	33,717	
Travel	2,366	
Other	4,840	\$ 154
	<u>182,007</u>	<u>154</u>
<b>Administrative</b>		
Shareholders' information	2,557	1,142
General expense	190	102
Transfer agent's and other fees	2,551	1,874
Office rental	600	600
General administration expenses	1,800	1,800
Directors' fees	525	275
Audit	750	750
Office salary and expense	562	561
Travel	402	—
	<u>9,937</u>	<u>7,104</u>
Total exploration and administrative expenditures for the year	<u>191,944</u>	<u>7,258</u>
	<u>361,912</u>	<u>199,780</u>
<b>Deduct</b>		
Interest income	19,797	17,502
Dividend income	10,780	30,577
	<u>30,577</u>	<u>12,310</u>
Balance deferred December 31	<u>\$ 331,335</u>	<u>\$ 169,968</u>



# MARTIN-McNEELY MINES, LIMITED

AND ITS WHOLLY-OWNED SUBSIDIARY COMPANY MARTIN McNEELY MINES, INC.

## CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended December 31, 1969  
(with comparative figures for 1968)

Source of Funds	1969	1968
Investment income .....	\$ 30,577	\$ 29,812
Gain on sale of investments .....	24,016	27,772
	<u>54,593</u>	<u>57,584</u>
<b>Application of Funds</b>		
Cost of participation in mining syndicates — net .....	—	500
Exploration and administrative expenditures .....	191,944	7,258
Incorporation expense .....	607	—
	<u>192,551</u>	<u>7,758</u>
Increase or (decrease) in working capital .....	(137,958)	49,826
Working capital at January 1 .....	535,943	486,117
Working capital at December 31 .....	<u>\$ 397,985</u>	<u>\$ 535,943</u>

## CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the year ended December 31, 1969  
(With comparative figures for 1968)

	1969	1968
Retained earnings (deficit) at January 1 .....	\$ 18,386	\$ (2,264)
Add gain on sale of investments .....	24,016	27,772
	<u>42,402</u>	<u>25,508</u>
<b>Deduct</b>		
Cost of mining claims abandoned .....	—	6,622
Participation in mining syndicates written down .....	—	500
	<u>—</u>	<u>7,122</u>
Retained earnings at December 31 .....	<u>\$ 42,402</u>	<u>\$ 18,386</u>

# MARTIN-McNEELY MINES, LIMITED

AND ITS WHOLLY-OWNED SUBSIDIARY COMPANY MARTIN McNEELY MINES, INC.

## SHARES IN OTHER MINING COMPANIES

December 31, 1969

Shares in unlisted mining companies at cost less amounts written off

	<u>Shares</u>	<u>Book Value</u>
Luxor Red Lake Mines Limited .....	197,500	\$ 9,875
Lake Expanse Gold Mines Limited .....	15,000	1,333
Bruno Mining Corporation Limited (shares escrowed) .....	10,000	1
Ancco Mines Limited .....	1,301,668	234,083
Wilmar Mines Limited .....	1,315,666	625,110
Marmattagami Mines Limited (135,000 shares escrowed) .....	160,000	10,413
		<u>\$ 880,815</u>



# **MARTIN-McNEELY MINES, LIMITED**

**AND ITS WHOLLY-OWNED SUBSIDIARY COMPANY MARTIN McNEELY MINES, INC.**

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## **NOTE TO CONSOLIDATED FINANCIAL STATEMENT**

**For the year ended December 31, 1969**

Martin McNeely Mines, Inc. holds 486 unpatented mining claims in the Yellow Cat Area, Grand County, State of Utah, U.S.A. under lease agreements expiring June 24, 1979 which date may be extended under certain circumstances. The leases provide for payments totalling \$17,500 U.S. in 1970 and each year during the term of the leases, which amounts may be deducted from future royalties which may become payable should the property be brought into production. The company may terminate the leases at any time on 30 days notice. The company has also an option to purchase these claims at any time during the term of the leases for a consideration of \$1,600,000 U.S.

## **AUDITORS' REPORT**

To the Shareholders of  
Martin-McNeeley Mines, Limited

We have examined the consolidated balance sheet of Martin-McNeely Mines, Limited and its wholly-owned subsidiary company Martin McNeely Mines, Inc. as at December 31, 1969 and the consolidated statements of deferred exploration and administrative expenditures, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ALLEN, MILES, FOX & JOHNSTON,  
Chartered Accountants.

Toronto, Canada,  
April 7, 1970.

# MARTIN-McNEEL

(Incorporated under the laws of the Province of Ontario)

AND ITS WHOLLY-OWNED SUBSIDIARY

## Consolidated Balance Sheet

### ASSETS

#### Current Assets

Cash .....	\$	340	
Short-term investments, at cost .....		168,458	
Marketable securities, at cost (quoted market value \$223,890) .....		247,603	
Accounts receivable .....		190	
Prepaid expenses .....		150	\$ 416,741
			<hr/>

#### Participation in Other Mining Companies

Shares, at cost less amounts written off (no quoted market value) ....	880,815	
Advances to Wilmar Mines Limited .....	20,000	900,815
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#### Mining Properties

Patented mining claims situated in the Township of Dome in the District of Patricia, Ontario, at cost .....	99,470
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#### Deferred Charges and Other Assets

Participation in mining syndicates, at nominal value .....	9	
Deferred exploration and administrative expenditures .....	339,602	
Incorporation expense .....	607	340,218
		<hr/>
		\$1,757,244
		<hr/>



# MINES, LIMITED

(Incorporated in the Province of Ontario)

COMPANY MARTIN McNEELY MINES, INC.

Balance Sheet as at March 31, 1970

## LIABILITIES AND SHAREHOLDERS' EQUITY

### Current Liabilities

Accounts payable and accrued liabilities .....	\$	26,673
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### Shareholders' Equity

#### Capital Stock

##### Authorized

6,000,000 shares of \$1. par value

##### Issued

6,000,000 shares .....	\$6,000,000
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Less discount on shares .....	4,312,181
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1,687,819

Retained earnings .....	42,752	1,730,571
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Approved on behalf of the Board:

G. T. SMITH, Director.

R. E. FASKEN, Director.

\$1,757,244

# MARTIN-McNEELY MINES, LIMITED

AND ITS WHOLLY-OWNED SUBSIDIARY COMPANY MARTIN McNEELY MINES, INC.

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## CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES For the three months ended March 31, 1970

Balance deferred at January 1, 1970 .....	\$ 331,335
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### Exploration

Engineering fees and expenses .....	\$ 11,450
Travel .....	40
Other .....	<u>1,114</u>
	<u>12,604</u>

### Administrative

General expense .....	37
Transfer agent's and other fees .....	335
Office rental .....	150
General administration expenses .....	450
Audit .....	350
Office salary and expense .....	<u>143</u>
	<u>1,465</u>

Total exploration and administrative expenditures for the period .....	14,069
	<u>345,404</u>

### Deduct

Interest income .....	3,525
Dividend income .....	<u>2,277</u>
	<u>5,802</u>

Balance deferred at March 31, 1970 .....	<u>\$ 339,602</u>
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# MARTIN-McNEELY MINES, LIMITED

AND ITS WHOLLY-OWNED SUBSIDIARY COMPANY MARTIN McNEELY MINES, INC.

## CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS For the three months ended March 31, 1970

### Source of Funds

Investment income .....	\$ 5,802	
Gain on sale of investments .....	350	6,152

### Application of Funds

Exploration and administrative expenditures .....	14,069	
Decrease in working capital .....	7,917	
Working capital at January 1, 1970 .....	397,985	
Working capital at March 31, 1970 .....	\$ 390,068	

## CONSOLIDATED STATEMENT OF RETAINED EARNINGS For the three months ended March 31, 1970

Retained earnings at January 1, 1970 .....	\$ 42,402
Add gain on sale of investments .....	350
Retained earnings at March 31, 1970 .....	\$ 42,752

## SHARES IN OTHER MINING COMPANIES March 31, 1970

Shares in unlisted mining companies at cost less amounts written off:

	Shares	Book Value
Luxor Red Lake Mines Limited .....	197,500	\$ 9,875
Lake Expansé Gold Mines Limited .....	15,000	1,333
Bruno Mining Corporation Limited (shares escrowed) .....	10,000	1
Ancco Mines Limited .....	1,301,668	234,083
Wilmar Mines Limited .....	1,315,666	625,110
Marmattagami Mines Limited (135,000 shares escrowed) .....	160,000	10,413
		\$ 880,815

# MARTIN-McNEELY MINES, LIMITED

AND ITS WHOLLY-OWNED SUBSIDIARY COMPANY MARTIN McNEELY MINES, INC.

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## NOTE TO CONSOLIDATED FINANCIAL STATEMENT

For the three months ended March 31, 1970

Martin McNeely Mines, Inc. holds 486 unpatented mining claims in the Yellow Cat Area, Grand County, State of Utah, U.S.A. under lease agreements expiring June 24, 1979 which date may be extended under certain circumstances. The leases provide for payments totalling \$17,500 U.S. in 1970 and each year during the term of the leases, which amounts may be deducted from future royalties which may become payable should the property be brought into production. The company may terminate the leases at any time on 30 days notice. The company has also an option to purchase these claims at any time during the terms of the leases for a consideration of \$1,600,000 U.S.

## AUDITORS' REPORT

To the Shareholders of  
Martin-McNeely Mines, Limited

We have examined the balance sheet of Martin-McNeely Mines, Limited and its wholly-owned subsidiary company Martin McNeely Mines, Inc. as at March 31, 1970 and the statements of deferred exploration and administrative expenditures, retained earnings and source and application of funds for the three months then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at March 31, 1970 and the results of their operations and the source and application of their funds for the three months then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ALLEN, MILES, FOX & JOHNSTON,  
Chartered Accountants.

Toronto, Canada,  
June 19, 1970.



# MARTIN-McNEELY MINES, LIMITED

To the Board of Directors  
ANNCO MINES LIMITED

Gentlemen:

This report covering the operations of your company for the year 1969 is submitted for your consideration.

## PRODUCTION

12,359 tons of ore were sent to the Cochenour Mill, producing 3,606.271 fine ounces of gold and 160.950 fine ounces of silver valued at \$136,202 for an average recovery of \$11.02 per ton milled. The price received for gold averaged \$37.68 Canadian per fine ounce and for silver \$1.92 per ounce. All bullion was shipped to the Royal Canadian Mint.

Your company qualified for Emergency Gold Mining Assistance. Total income estimated to be received under the provisions of this Act is \$37,054 or \$10.27 per ounce of gold produced.

## COSTS

Increases in basic wage rates averaged approximately six percent during 1969, and the inflationary increases in the cost of material supplies and services continued. The cost per ton reflects a high increase as compared to 1968 by reason of the reduced tonnage supplied by your company as well as the other mines and is especially reflected in the milling and General Expense costs where costs are static. This situation is expected to change in 1970 and correct itself with the greater tonnage being supplied to the mill.

## SCHEDULE OF OPERATING COSTS

	1969		1968
	Total	Per Ton Milled	Per Ton Milled
Tons Milled .....		12,359	27,922
Development .....	\$ 8,555	\$ 0.693	\$ .204
Mining .....	128,935	10.432	8.669
Milling .....	45,604	3.690	2.854
General and Administrative .....	29,790	2.410	1.498
Marketing .....	893	.072	.089
TOTAL OPERATING COSTS .....	213,777	17.297	13.314
Deduct — Est. E.G.M.A. ....	37,054	2.998	3.495
	<u>\$ 176,723</u>	<u>\$ 14.299</u>	<u>\$ 9.819</u>

## MINING

The mill feed was supplied from the mining of seven stopes and two development headings which produced 12,359 tons of ore averaging 0.312 ounces gold per ton, representing thirty-four tons per day and 17% of the ore milled by the Cochenour mill. In 1968 Annco shipped 27,922 tons grading 0.368 ounces gold per ton.

Mining is continuing in two stoping blocks. Ore reserves above the 22nd level and available for mining at the end of 1969 totalled 35,000 tons averaging 0.35 ounces gold per ton. Extraction rates continue to be slow and costly due to the talcose nature of the host rock. In 1970 production is expected to be slightly higher than in 1969, both in tons and grade.

No further exploration or development was undertaken on levels below the 22nd level. Previous diamond drilling had encountered ore grade intersections on the down dip extension of the talcose structures to a depth of 175 feet below the 22nd level. The next horizon, 2350 level, would require 3,000 feet of crosscutting and drifting to open up the ore zone. Present day costs coupled with the fact that the Government has made no decision on renewing the E.G.M.A. Act, prohibits any planning at the present time.

Respectfully submitted

COCHENOUR WILLANS GOLD MINES, LIMITED  
(Operations Management)

J. E. J. FAHLGREN,  
General Manager.

COCHENOUR, Ontario,  
May 7th, 1970.



# MARTIN-McNEELY MINES, LIMITED

The Board of Directors  
WILMAR MINES LIMITED

Gentlemen:

This report covering the operations of your company for the year 1969 is submitted for your consideration.

## PRODUCTION

45,068 tons of ore were sent to the Cochenour Mill for treatment, producing 14,201.119 fine ounces of gold and 9,567.600 ounces of silver valued at \$553,439 for an average recovery of \$12.28 per ton milled. The price received for gold averaged \$37.68 Canadian per fine ounce and for silver \$1.92 per ounce. All bullion was shipped to the Royal Canadian Mint.

Your company qualified for Emergency Gold Mining Assistance. Total income estimated to be received under the provisions of this Act is \$145,915 or \$10.27 per ounce of gold produced.

## COSTS

In addition to the general increase in costs following adjustments in wage rates which averaged approximately 6 percent during the year and the inflationary increases in the cost of material supplies and services, the operating costs were further affected by other major operating changes, such as the heavy development program completed in the mine, the cost of change over to cut and fill mining using hydraulic classified tailings, which necessitated the introduction of extra backfill from surface which had to be loaded and trucked to the plant, and the change over of the milling plant to better treat the metallurgy of the Wilmar ore as it is now the main mill feed.

While the operation has now smoothed out, and these extra costs will not be repeated, the cost per ton for 1969 does reflect high increases when compared with the previous year. The cost per ton will correct itself in 1970.

## SCHEDULE OF OPERATING COSTS

	1969		1968
	Total	Per Ton Milled	Per Ton Milled
Tons Milled .....		45,068	28,018
Development .....	\$ 94,281	\$ 2.092	\$ .156
Mining .....	398,518	8.843	6.882
Milling .....	166,304	3.690	2.854
General and Administrative .....	103,688	2.300	1.509
Marketing .....	3,378	.075	.052
TOTAL OPERATING COSTS .....	766,169	17.000	11.453
Deduct — Est. E.G.M.A. ....	145,915	3.238	2.275
	<u>\$ 620,254</u>	<u>\$ 13.762</u>	<u>\$ 9.178</u>

## MINING

Increased efforts on the Wilmar during 1969 substantially increased production. During 1969 45,068 tons were mined and sent to the Cochenour Mill averaging 0.338 ounces gold per ton. This tonnage provided 63% of the total mill feed during the year. This compares with 28,018 tons averaging 0.249 ounces gold per ton and reflects increase in both tons and grade.

## DEVELOPMENT

All development goals planned for 1969 were completed, which include the following:

- (a) Completion of the waste/ore pass from the 1600 level to the 1450 level, and installation of a loading pocket on the 1600 shaft station.
- (b) Completion of crosscut and drifting on the 1450 level to reach and develop the talc-breccia ore structures from the No. 1E to the No. 4E ore blocks.  
Raise development and sub drifting on this level was also carried out which produced 2,422 tons of development muck averaging 0.30 ounces gold per ton.
- (c) Started the waste/ore pass from the 1900 level to the 1750 level which was completed early in 1970.
- (d) Completion of the 1900 level drifting to reach the 1900 #6E stoping block.
- (e) Completion of the 1600 level crosscut to the breakthrough position of the 1750 to 1600 level waste/ore pass.
- (f) Commenced crosscut drifting on the 1750 level, advancing a distance of 160 feet.

Mining operations progressed throughout the year on the 1300, 1900 and 2050 levels with development mining in the later part of 1969 on the 1450 level. Stopping blocks on these levels are of good dimensions and mining costs are continuing to improve. All stopes are now converted to cut and fill mining. The in-stope load-haul-dump equipment has proved very efficient and if overall mining operations achieve a profit making level, additional units will be considered.

The 1969 development program and previous development has made an estimated 90,000 tons of ore grading 0.35 to 0.40 ounces gold per ton available for mining. Extraction rates for 1970 are projected to supply 160 to 170 tons per day or 60,000 tons of ore per year.

The Cochenour Willans Gold Mines does not propose to advance further monies for development, and the Wilmar operation is now expected to attain a profit making level. If successful by June 30th, drift development on the 1750 level to the No. 6E ore block and the exploration of the Diorite Dyke structure at this horizon will resume. Some of the better intersections in the Diorite Dyke structure were 0.53/12', 0.44/26.5', 0.23/7.8' and 1.35/8.0' (Ounces gold per ton/core length in feet). A south breccia structure in the No. 6E block will also be explored, which was intersected by diamond drilling.

No further work was conducted on the granodiorite structure outlined on the 1300 level in the west part of the property. This structure has a large low grade production potential and warrants further exploration and development should the price of gold rise to \$60.00 per ounce value.

Without a definite decision by the Government with respect to the continuance of the Emergency Gold Mining Assistance Act, future planning is at a standstill, and present development is proceeding without license. It is inconceivable that the Government has allowed this situation to develop, and unrest is becoming obvious amongst the gold mining personnel.

Respectfully submitted,

COCHENOUR WILLANS GOLD MINES, LIMITED  
(Operations Management)

May 15th, 1970,  
COCHENOUR, ONTARIO.

J. E. J. FAHLGREN,  
General Manager.















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## MARTIN McNEELY MINES LIMITED

Statement of Source and Application of Funds  
(unaudited)

	June 30th 1969	June 30th 1968
<b>Source of Funds</b>		
Income from Investments	20,572.11	17,209.88
Less Expenses . . . . .	5,326.15	4,042.34
	<u>15,245.96</u>	<u>13,167.54</u>
Gain on Investments . . .	2,536.53	—
	<u>17,782.49</u>	<u>13,167.54</u>
<b>Application of Funds</b>		
Loss on Investments . . .	NIL	538.21
Cost of Participating in Mining Syndicates . . .	NIL	500.00
		<u>1,038.21</u>
<b>INCREASE IN WORKING CAPITAL .</b>	<u><u>\$17,782.49</u></u>	<u><u>\$12,129.33</u></u>

MARTIN  
McNEELY  
MINES  
LIMITEDINTERIM REPORT  
TO SHAREHOLDERS

For the Six Months Ended June 30th, 1969

# MARTIN McNEELY MINES LIMITED

To the Shareholders:

Enclosed herewith please find interim Financial Statements for the six months ended June 30th, 1969, consisting of a Statement of Deferred Exploration and Administrative Expenditure, a Statement of Source and Application of Funds together with comparative figures for the corresponding period in 1968.

Your Company has recently acquired a ten year lease and option to purchase 486 mining claims in the Yellow Cat area of the Thompson Mining District, Grand County, Utah. Because of their location, these claims are considered to offer attractive uranium/vanadium ore possibilities and the Company proposes to perform photo-geological mapping and exploration drilling on the property. The planned programme is to be done in two phases; the first phase consists of some 40,000 feet of drilling, which is now underway and the results of which will determine the nature and extent of the second phase of the programme. Shareholders will be kept informed of any significant developments.

On behalf of the Board of Directors,

G. T. SMITH  
President

August 20th, 1969

# MARTIN McNEELY MINES LIMITED

## Statement of Deferred Exploration and Administrative Expenditure (unaudited)

		30th June, 1969	30th June, 1968
Balance Deferred January 1st		169,967.99	192,521.53
<b>Exploration</b>			
Miner's licence .....	100.00		100.00
Acreage and municipal Taxes .....	72.40		14.48
	172.40		114.48
<b>Administrative</b>			
Shareholders Information .....	2,208.25		1,012.50
General Expense .....	163.00		63.85
Transfer Agents Fees .....	590.56		696.51
Office Rental .....	300.00		300.00
General Administrative .....	900.00		900.00
Directors Fees .....	350.00		275.00
Audit .....	375.00		375.00
Office Salary & Expenses .....	266.94		305.00
	5,153.75		3,927.86
Total Exploration & Administrative Expenses ...		5,326.15	4,042.34
		175,294.14	196,563.87
<b>Deduct</b>			
Interest Income .....	15,137.11		11,334.88
Dividend Income .....	5,435.00	20,572.11	5,875.00
			17,209.88
BALANCE DEFERRED JUNE 30th		\$154,722.03	\$179,353.99